APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office DEC 29 2003
Returned to applicant for correction
Corrected application filed
Map filed
******* The applicant Baroid Drilling Fluids, Inc. hereby make application for permission to change the point of diversion of a portion of water heretofore appropriated under #42934, Certificate 15358

1. The source of water is underground
2. The amount of water to be changed 0.1 c.f.s. (72.4 acre-feet)
3. The water to be used for mining, milling and domestic.
4. The water heretofore permitted for mining, milling and domestic.
5. The water is to be diverted at the following point within SE½SE½, Section 15, T.37N., R.49E, M.D.M. from which the SE corner of said section bears S. 52°44'E., 1,175 feet distant.
6. The existing permitted point of diversion is located within NE½SE½, Section 15, T.37N., R.49E, M.D.M. from which the SE corner of said section bear S.37°33'E., 2,031.0 feet distant
7. Proposed place of use same as existing
8. Existing place of use Section 15, E½ Section 21, Sections 22, 26, 27, 34 & 35, all within T.37N, R.49E., M.D.M.
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works drilled and cased well (existing), submersible or line shaft pump and motor, storage tanks, pipeline to mining and milling facilities.
12. Estimated cost of works \$140,000.00
13. Estimated time required to construct works one year
14. Estimated time required to complete the application of water to beneficial use three years.
15. Remarks: a small amount of duty of the base permit will be left at the original site, for occasional pumping of inflow from adjacent shallow aquifers as the pit is enlarged. Please send copies of notices and correspondence to undersigned agent.
s/William A. Nisbet By William A. Nisbet Agent 421 Court Street Elko, NV 89801

Compared sg/sam ag/sam

Protested___

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion of a portion of the waters of an underground source as heretofore granted under Permit 42934, Certificate 15358 is issued subject to the terms and conditions imposed in said Permit 42934, Certificate 15358 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 42931, Certificate 15356; 42932, Certificate 15357; 42934, Certificate 15358; 61410, Certificate 15359; and 70710 shall not exceed 196.42 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

A monthly report shall be submitted to the State Engineer within 10 days from the end of each month which shall include the amount of water pumped from the well and the amount of water used. (CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1 cubic feet per second, but not to exceed 72.4 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

October 18, 2005

Proof of completion of work shall be filed on or before:

November 18, 2005

Water must be placed to beneficial use on or before:

October 18, 2007

Proof of the application of water to beneficial use shall be filed on or before: ${\color{red}November~18,~2007}$

Map in support of proof of beneficial use shall be filed on or before: \mathbf{N}/\mathbf{A}

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 18th day of October, A.D. 2004

Certificate No. _____ Issued _____